

State of Alaska FY2003 Governor's Operating Budget

Department of Corrections Correctional Industries Product Cost Component Budget Summary

Component: Correctional Industries Product Cost

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Component Mission

In accordance with Alaska Statutes the primary mission of the Correctional Industries Program is to assist in the rehabilitation of prisoners by providing realistic work experience as much like those that prevail in private industry as possible.

Component Services Provided

To operate the following Correctional Industries Product service enterprises:

- Juneau Commercial Laundry
- Fairbanks Garment/Flat Goods Shop
- Kenai Office Furniture Systems Plant
- Eagle River Garment Shop
- Kenai Metals Plant
- Seward Wood Furniture Plant
- Palmer Auto Body Shop
- Juneau Staph Guard Hospital Laundry (a private cooperative venture)
- Palmer Meat Processing Plant

Component Goals and Strategies

Accomplish the following goals through sound, business-like procedures that will reduce the potential dangers of inmate idleness.

- Develop and operate agricultural, industrial, and service enterprises to employ offenders and provide rehabilitation.
- Provide vocational training and realistic work activity to prepare offenders for post-incarceration experiences.
- Modify behavior (work habits/marketable skills) of sentenced individuals through reinforcing society's work ethic.
- Produce a quality product or service, competitively priced and delivered in a timely fashion that will generate revenues.
- Accomplish the above goals through sound, business-like procedures that will reduce the potential dangers of inmate idleness.

Key Component Issues for FY2002 – 2003

- The Correctional Industries Program primarily markets its products to state agencies and political sub-divisions.
- Changes in mandatory contract awards will require Correctional Industries to re-evaluate its current pricing, and production scheduling of existing product lines to allow for the most efficient utilization of existing production capacity.
- An analysis of state agency needs may require the introduction of new standardized products and revised manufacturing processes.
- Repeated turnover in inmate employees requires more on-the-job training to maintain quality of finished products and timely delivery to customers. As the number of additional inmate employees increases, production capability is reduced.
- Continued development of a web page catalog with additional enhancements will increase the capability of Alaska Correctional Industries to provide marketing and delivery information to customers.

Major Component Accomplishments in 2001

- Approximately 255,000 annual hours of inmate employment were provided through on-the-job vocational training. This on-the-job training encouraged the development of acceptable work ethics by those employed inmates.
- Gross Sales of products and services increased to \$3,726,964 resulting in a 2.1% net increase over the previous fiscal year.
- The Hazard Analysis Critical Control Point (HACCP) self-inspection program implemented at the Mt. McKinley Meats operation was expanded and assistance was provided to private sector businesses requesting support.
- Renewal of an existing private sector contract continued the program's involvement in a private cooperative venture to employ inmates at the Lemon Creek Correctional Center.
- Procedures relating to partnerships with private sector enterprises were re-evaluated by the Correctional Industries Commission in order to identify potential methods for expanding private sector joint ventures.
- A successful introduction of private sector orders increased sales at the garment manufacturing industry at the Hiland Mountain Correctional Center and provided additional correctional industries employment for females incarcerated at the HMCC facility. The manufacturing of these products was previously completed in foreign countries. Joint ventures with the private sector allow Alaskan dollars to re-circulate within the state's economy.

Statutory and Regulatory Authority

- 1) Probation, Prisons and Prisoners (AS 33)
- 2) Welfare, Social Services and Institutions (AS 47)
- 3) Health and Safety (AS 18)
- 4) Criminal Law (AS 11)
- 5) Public Finance (AS 37)
- 6) State Government (AS 44)
- 7) Create Corrections (EX.OR.55)
- 8) Corrections (22 AAC)

Correctional Industries Product Cost

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	37.0	47.7	47.7
73000 Contractual	695.1	514.0	514.0
74000 Supplies	2,812.2	3,140.9	3,140.9
75000 Equipment	63.4	48.5	48.5
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	332.5	399.5	399.5
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,940.2	4,150.6	4,150.6
Funding Sources:			
1059 Correctional Industries Fund	3,940.2	4,150.6	4,150.6
Funding Totals	3,940.2	4,150.6	4,150.6

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Correctional Industries Fund	51190	3,940.2	4,150.6	4,150.6	4,150.6	4,150.6
Restricted Total		3,940.2	4,150.6	4,150.6	4,150.6	4,150.6
Total Estimated Revenues		3,940.2	4,150.6	4,150.6	4,150.6	4,150.6

Correctional Industries Product Cost

Proposed Changes in Levels of Service for FY2003

No service changes.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	0.0	4,150.6	4,150.6
FY2003 Governor	0.0	0.0	4,150.6	4,150.6